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Canadian Motor Vehicle Arbitration Plan releases 1994 annual report

Edward Roberts, Minister of Justice and Attorney General, is pleased to announce that the Canadian Motor Vehicle Arbitration Plan, which was introduced to this province in September 1994, has released its first annual report.

"The Canadian Motor Vehicle Arbitration Plan (CAMVAP), is a national arbitration plan that deals with disputes between consumers and automobile manufacturers. CAMVAP allows consumers who are experiencing problems with their vehicles, which cannot be resolved by the dealer or the manufacturer, to apply for arbitration," said Roberts.

Disputes involving new and used vehicles for the last five model years, from the current year plus up to four years old, are eligible for arbitration, as long as they were originally purchased from an authorized dealer. "CAMVAP is operated and paid for by the automobile industry, however, the program's administrators and arbitrators are independent of the manufacturers so as to ensure unbiased decisions," Roberts said.

"The Trade Practices Division of the Department of Justice has had active involvement in the CAMVAP process," said Roberts. "Officials of the division continue to monitor the program which is a positive step in the evolution of dispute resolution for consumers, and is a viable alternative to the court system."

Statistics from CAMVAP's Annual Report for the year ending 1994, indicate that in the first four months that CAMVAP was available in Newfoundland and Labrador, even though the program was in its infancy, 19 cases were processed. Of those 19, seven were settled through mediation before having to proceed to arbitration. A dispute is only resolved through mediation if the consumer is satisfied with the result.

The annual report reveals that across the country over 73 per cent of arbitrated cases resulted in an award or awards that favoured the consumer. This is consistent with the rulings made in this province. Of the 12 cases which went to arbitration in Newfoundland and Labrador, 75 per cent of the awards favoured the consumer. In some cases more than one award was ordered by the arbitrator. The following awards were issued: two buybacks with reduction in cost; one vehicle was replaced; repairs were ordered on four vehicles; three consumers were reimbursed for repairs; in one case out of pocket expenses were ordered; and in three cases the arbitrator found there was no liability on the manufacturer.

Information on the Canadian Motor Vehicle Arbitration Plan can be obtained by contacting a consumer affairs officer with the Department of Justice.

Contact: John Downton or Carol Furlong at the Trade Practices Division of the Department of Justice, (709) 729-2600 or (709) 729-4196.

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